GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

Infrastructure & Investment Department – Proposal of M/s Adani Ports & Special Economic Zone (APSEZ) to acquire the shares of Gangavaram Port Limited by way of merger– Approval given - Constitution of Empowered Group of Secretaries – orders – Issued.

INFRASTRUCTURE & INVESTMENT (PORTS) DEPARTMENT

G.O.MS.No. 5 Dated: 04-06-2021

Read:

G.O.Ms.No.4, I&I (Ports) department dated 25-05-2021

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ORDER:

The Gangavaram Port which is a Greenfield port developed under PPP mode and after due process the Concession Agreement was entered into between M/s DVS Raju led consortium who was selected as successful bidder and the GoAP with a concession period of 30 years from COD extendable by 2 spells of 10 years each subject to fulfilment of certain conditions by the Concessionaire and also subject to the other conditions mentioned in the Concession Agreement and Shareholders Agreement. The said Concession Agreement provides revenue share to the Government from the income of the port besides receiving of dividend based on the shareholding pattern. In the G.O. cited the Government have examined the recommendations of Chief Executive Officer, AP Maritime Board on the merger of Gangavaram Port Ltd with Adani Port SEZ Ltd based on the definitive agreement between DVS Raju and family and APSEZ who acquired the share of 58.10% stake in GPL and issued orders accepting the transfer of shares from WINDY Lakeside Investment Ltd and the acquisition of 58.10% shares of GPL in favour of APSEZ. The Government ordered in the said G.O. as detailed below :

1) The State Government hereby accept the transfer of shares of 31.50% from Windi Lakeside Investment Ltd. (an affiliate of Warburg Pincus) in Gangavaram Port Limited in favour of APSEZ and acknowledge the Deed of Adherence entered into between APSEZ and the Promoters of Gangavaram Port Ltd. (GPL).
2) The State Government hereby approve the definitive agreement entered between APSEZ and Sri D.V.S. Raju and family to acquire their 58.10% of the shares in GPL.
3) The State Government hereby accept the proposal of merger of GPL with APSEZ with a condition that the transferee company APSEZ shall set up a separate Special Purpose Company (SPC) to enter into a revised concession agreement on the same terms and conditions of the original concession agreement for the remaining concession period.
4) The Government hereby order to constitute an Empowered Group of Secretaries to implement the entire process of disinvestment and merger

duly following the available guidelines and the recommendations of SBICAP on disinvestment.

2. In accordance with the above orders of the Government, it is necessary to constitute an Empowered Group of Secretaries to implement the entire process of disinvestment and merger of GPL with the APSEZ and the said Empowered Group of Secretaries shall follow the available guidelines in this regard, while considering the issues.

3. Therefore, the Government hereby constitute an Empowered Group of Secretaries consisting of the following Special Chief Secretaries/Principal Secretaries/Secretaries:

1) Shri Neerabh Kumar Prasad, IAS, Chief Commissioner of Of Land Administration & Spl.Chief Secretary to Govt. - Chairman
2) Shri Rajat Bhargava, IAS, Spl. Chief Secretary to Govt, Revenue & Tourism Dept. - Member
3) Shri Shamsher Singh Rawat,IAS, Principal Finance Secretary- Member
4) Shri K.V Ramana,IAS,Secretary to Govt., Public Enterprises Dept. - Member
5) Smt.V.Sunitha, Secretary, (IC) Law Department - Member
6) Shri R.Karikal Valaven, IAS,Spl. Chief Secretary to Govt, Infrastructure & Investment Dept. - Convenor

4. The Empowered Group of Secretaries constituted in para 3 above shall strictly follow the guidelines given below, while implementing the decision of the Government to disinvest its stakes in Gangavaram Port Limited and to allow the merger of GPL with APSEZ.

a) The committee will examine the various issues on the proposal of merger of GPL with APSEZ including creation of Special Purpose Company to enter into a revised Concession Agreement on the same terms and conditions of the original Concession Agreement
b) The Committee may ensure that all the conditions in the present Concession Agreement and Shareholders Agreement are continued without any dilution;
c) The payment obligations to the Government are protected without any interruption;
d) The assets in the project are protected;
e) The rights and interests of the Government in the project are protected;
f) The obligations of the Concessionaire in the project are ensured to be fulfilled;
g) The project is transferred to the Government at the end of the Concession Period;
h) The entire process of disinvestment, merger and formation of separate SPC may be completed within a stipulated time frame, beyond which the Government should have a step in right and substitute a new concessionaire in the SPV.
i) The recommendations of SBICAP may also be examined by the committee and arrive to a specific share value of the Government stake proposed to

be transferred to APSEZ, duly following the procedure on disinvestment in case the committee feels that the said transaction is in public interest as indicated in para 16 of the G.O. referred to above**.**

j) The committee may invite anybody as a Special Invitee to assist the committee in the matter and also get any report from any experts on the subject as and when the committee feels necessary.

5. The Empowered Group of Secretaries constituted above shall submit detailed report to Government preferably within 60 days**,** after completion of the entire process duly following the existing guidelines in this regard covering all the aspects relating to merger as well as disinvestment mentioned above.

6. The Chief Executive Officer, AP Maritime Board will assist the committee of Empowered Group of Secretaries duly furnishing the required material of papers/information/reports of any authorities as and when the committee directs.

7. The Chief Executive Officer, AP Maritime Board shall take necessary action.

8. This order issues with the concurrence of Finance Department, vide their U.O.No. FIN01-FMU0ASD(IIE)/8/2021-FMU-IIEIC, dated 25.05.2021.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

ADITYA NATH DAS
CHIEF SECRETARY TO GOVERNMENT

To
All members of the committee along with a copy of G.O.No.4 dated 25-5-2021
The Chief Executive Officer, AP Maritime Board, Kakinada
Copy to:
The OSD to Secretary to Hon'ble CM.
The OSD to Hon'ble M(I&I)
The OSD to CS
The PS to Spl.CS, I&I Dept.,.

//FORWARDED :: BY ORDER//

SECTION OFFICER